



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

February 6, 1995

*Contract
replaced
4/23/2002*

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: D. Wayne Hedberg, Minerals Permit Supervisor *DWH LPH*

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *aag*

RE: Request for Approval of Amount and Form of Reclamation Surety, Morton Salt Division, Grantsville Operations, M/045/037, Tooele County, Utah

This is an existing evaporative salt operation which has recently satisfied the Division's permitting requirements for Tentative Approval. The permitting process for Morton's operations at this location began in 1991. Operations include a network of collection and evaporation ponds and washing/refining facilities. A majority of Morton's operations are visible from the road to Stansbury Island.

Morton has provided the Division with a reclamation surety bond in the amount of \$1,273,000 issued by Safeco Insurance Company of America. Safeco Insurance Company is included in the 1994 Federal Register's listing of acceptable surety companies. The surety bond is formatted according to the Division's April 8, 1993 version of the surety bond form. The Division's thirty day public comment period will end approximately March 6, 1995.

Please find enclosed a checklist of the attached items to assist you in your consideration of this request.

jb
Enclosures
M45-37.BRD

Enclosure 1
(Morton letter Dated Jan 14, 1995)

FORM MR-RC
Revised May 28, 1993
RECLAMATION CONTRACT

File Number M/045/037

Effective Date June 1, 1995

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

*Contract
replaced
4/23/2002*

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

| | |
|---|--|
| "NOTICE OF INTENTION" (NOI): (File No.) | <u>M/045/037</u> |
| (Mineral Mined) | <u>Solar Salt (NaCl) from the Great Salt Lake</u> |
| "MINE LOCATION": | |
| (Name of Mine) | <u>Morton Salt - Grantsville</u> |
| (Description) | <u>The facility is located in Tooele</u> <u>county approximately 30 miles west</u> <u>of Salt Lake City.</u> |
| "DISTURBED AREA": | |
| (Disturbed Acres) | <u>7,849 acres</u> |
| (Legal Description) | <u>(refer to Attachment "A")</u> |
| "OPERATOR": | |
| (Company or Name) | <u>Morton International Inc.; Morton Salt</u> |
| (Address) | <u>100 North Riverside Plaza</u> <u>Chicago, IL 60606-1597</u> |
| (Phone) | <u>(312) 807-2000</u> |

"OPERATOR'S REGISTERED AGENT":

(Name)
(Address)

Fabian & Clendenin
215 South State Street
P.O. Box 510210
Salt Lake City, Utah 84151
(801) 531-8900

(Phone)

"OPERATOR'S OFFICER(S)":

Walter W. Becky-President Salt Group
Gene L. Decker-Vice President Production/
Engineering Salt Group

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Safeco Insurance Company of America
Bond No. _____

"SURETY AMOUNT":

(Escalated Dollars)

\$1,273,000

"ESCALATION YEAR":

1998

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A **"DISTURBED AREA":** Morton International Inc., Morton Salt-Grantsville
B **"SURETY":** Bond Number 5343223

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Morton International Inc. the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/045/037 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated November 4, 1991, and the original Reclamation Plan dated November 4, 1991. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Gene L. Decker
Vice President Production/Engineering Salt Group

Authorized Officer (Typed or Printed)

Gene L. Decker
Authorized Officer's Signature

Jan 4, 1995
Date

SO AGREED this 24th day of May, 19 95.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY Dave D. Lauriski
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

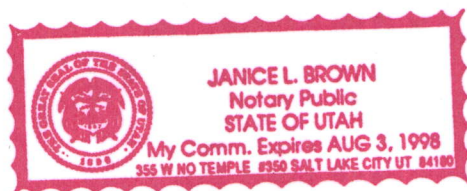

James W. Carter, Director

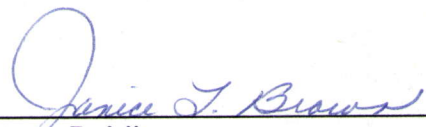
Date

6/1/95

STATE OF Utah)
) ss:
COUNTY OF Salt Lake)

On the 1ST day of June, 19 95, personally appeared before me, who being duly sworn did say that he/she, the said JAMES W. CARTER is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.




Notary Public

Residing at: Salt Lake City

August 3, 1998
My Commission Expires:

OPERATOR:

Morton International Inc., Morton Salt

Operator Name

Gene L. Decker

By Vice President Production/Engineering Salt Group

Corporate Officer - Position

Date

Gene L. Decker
Signature

Dec 20, 1993

STATE OF ILLINOIS)
COUNTY OF COOK) ss:

On the 20th day of December, 19 93, personally
appeared before me Gene L. Decker who
being by me duly sworn did say that he/~~she~~, the said Gene L. Decker
is the Vice President Production/Engineering of Morton International Inc., Morton Salt
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Gene L. Decker duly acknowledged to me that said
company executed the same.



Karen O. De Mello
Notary Public
Residing at: Chicago, IL


July 8, 1996
My Commission Expires:

SURETY:

Safeco Insurance Company of America
Surety Company

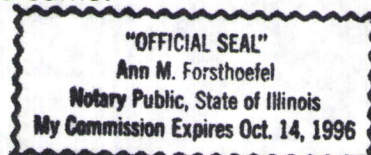
By Carla E. Romoser, Attorney-in-Fact
Company Officer - Position

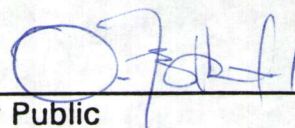
November 9, 1993
Date


Signature

STATE OF Illinois)
) ss:
COUNTY OF Cook)

On the 9th day of November, 19 93, personally
appeared before me Carla E. Romoser who
being by me duly sworn did say that he/she, the said Carla E. Romoser
is the Attorney-in-Fact of Safeco Insurance Company of America
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Carla E. Romoser duly acknowledged to me that said
company executed the same.




Notary Public
Residing at: Chicago, Illinois

My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.



POWER
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. _____

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint
*****DAVID W. JONES; ROBERT P. POWERS; CARLA E. ROMOSER; ANN FORSTHOEFEL, Chicago, Illinois*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents:

this 4th day of January, 19 93.

R.A. Pierson
R.A. PIERSON, SECRETARY

Dan D. McLean
DAN D. McLEAN, PRESIDENT

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R. A. Pierson, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 9th day of November, 19 93.



R.A. Pierson
R.A. PIERSON, SECRETARY

ATTACHMENT "A"

| | |
|--|-----------------------------------|
| <u>Morton International Inc/ Morton Salt</u> | <u>Morton Salt - Grantsville</u> |
| Operator | Mine Name |
| <u>M/045/037</u> | <u>Tooele</u> County, Utah |
| Permit Number | |

The legal description of lands to be disturbed is:

7,849 acres located in

Township: 1N Range: 5W Section: 19

Township: 1N Range: 6W Sections: 24, 25, 26, 32, 33, 34, 35

Township: 1S Range: 5W Sections: 16, 19, 20, 21

Township: 1S Range: 7W Sections: 1, 2, 3, 10, 11, 12, 13, 14, 15

Township: 1S Range: 6W Sections: 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15,
16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26,
27, 28, 29

The disturbed areas are composed of:

| | |
|--|-------------|
| Minesite (Pond system; operating, storage, and disposal areas) | 7,686 acres |
| Access/Haul Roads; Conveyors | 130 acres |
| Associated On-site Processing Facilities | 33 acres |

RECLAMATION ESTIMATE

Morton International, Inc.

Morton Salt - Grantsville Facility

M/045/037

last revision

Tooele County

07/29/93

Prepared by Utah State Division of Oil, Gas & Mining

Reclamation Details

- This estimate has been adjusted according to the 4/2/93 response
- All structures & facilities to be demolished/removed
- Six barriers around propane tank removed, tank leased
- Water wells (4 @ 800 ft deep) to be abandoned according to rules
- Dikes highlighted to be leveled to within 1 ft of present pond levels
- All underground gas, water & conduit piping to be excavated & removed
- Water tank excavated & removed; asphalt at mill site removed
- Areas to be ripped & revegetated shown on "Reclamation Site Map"

| Description | Amount | | \$/Unit | Cost-\$ |
|-----------------------------------|--------------------------|---------|---------|-------------|
| Building code 1 demolition | 50,298 | SF | 0.60 | 30,179 |
| Building code 2 demolition | 42,906 | SF | 1.00 | 42,906 |
| Building code 3 demolition | 322,443 | CF | 0.21 | 67,713 |
| Concrete floors demolition | 99,067 | SF | 4.13 | 409,147 |
| Concrete footings demolition | 5,216 | LF | 11.18 | 58,315 |
| Rail line removal | 1,256 | LF | 14.20 | 17,835 |
| Propane tank barriers | 1 | set | 273 | 273 |
| Water wells | 4 | wells | 3,000 | 12,000 |
| Dike leveling | 19,250 | feet | 1.23 | 23,678 |
| Underground piping | 1 | sum | 5,000 | 5,000 |
| Asphalt removal | 34,102 | SY | 5.80 | 197,792 |
| Water tank removal | 1 | tank | 2,000 | 2,000 |
| Ground ripping | 26.16 | acres | 749 | 19,594 |
| Backfilling | 1 | sum | 5,300 | 5,300 |
| Revegetation | 15.49 | acres | 1,168 | 18,092 |
| Haulage and dump fees | 1 | sum | 165,000 | 165,000 |
| Mobilization (4 pieces equipment) | 4 | each | 1,000 | 4,000 |
| | SUBTOTAL | | | 1,078,823 |
| | + 10% CONTINGENCY | | | 107,882 |
| | SUBTOTAL | | | 1,186,705 |
| | + 5 yr ESCALATION(1.42%) | | | 86,683 |
| | TOTAL | | | 1,273,388 |
| | ROUNDED TOTAL IN 1998-\$ | | | \$1,273,000 |
| Avg. cost/acre (160+33=163 acre)= | 7,810 | \$/acre | | |